REMARKS

Claims 1-9, 12, 21-30, and 33-35 were appealed, and are now pending. In response to the Appeal Brief, the Examiner has reopened prosecution of this application and issued the current final rejection of the pending claims. Claims 13-20 are currently withdrawn.

The Examiner rejected claim 36 under §101 as allegedly lacking "patentable utility." The Examiner further made the single conclusory statement that "claim 36 claims the manipulation of data but performs no concrete, useful or tangible result." This rejection is traversed.

The Examiner's rejection is unclear and fails to establish a prima facie case for rejection. The first sentence of this rejection cites a lack of patentable utility, whereas the second sentence makes reference to the "concrete, useful, tangible result" test that is used when determining statutory subject matter. Either the Examiner has rejected claim 36 for lack of utility, or for non-statutory subject matter. If the rejection is for lack of utility, then the Examiner has not applied the proper analysis of utility, which is set forth in the MPEG §2107, Guidelines for Examination of Applications for Compliance with the Utility Requirement, and thus has not made a prima facie case for rejection for lack of utility.

If the rejection is for non-statutory subject matter, then the Examiner has provided no analysis of the claim at all, as required in MPEP §2106, and more recently described in the Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility (Official Gazette, November 22, 2005). The Interim Guidelines specifically require that "The burden is on the USPTO to set forth a prima facie case of unpatentability. Therefore if the examiner determines that it is more likely than not that the claimed subject

matter falls outside all of the statutory categories, the examiner must provide an explanation." Here, the Examiner has made a single conclusory statement that there is no concrete, useful or tangible result. There is no explanation provided by the Examiner to support this naked conclusion. Repetition of the conclusion is itself not an "explanation."

When the Interim Guidelines are properly applied, it is clear that claim 36 is statutory. First, the claimed "combination of contractual relations" including "an option contract" and a plurality of "sales contracts" is does not fall within a judicial exception to §101: it is not a law of nature, natural phenomena, or abstract idea. Clearly, option and sales contracts do not exist in nature; they are not abstract because they have specific physical instantiations as documents or other physical media (electronic contracts). (Contrary to the Examiner's assertion, the claim does not recite a "manipulation of data", but specific legal relations instantiated by specific contractual media.)

Second, the claimed subject matter has a practical application, because it does indeed produce a concrete, useful and tangible result. The result is two-fold: the option contract enables the seller to provide a group buying sale for quantity of items without having to incur the inventory risk typically attendant with purchasing the quantity, while the sales contracts enable the buyers to lock in the benefits of a lower unit price arising from the aggregated quantity of items sold. Thus the buyers benefit from their aggregated purchasing power. Reduction of inventory risk for the seller and reduction of price for the buyer are specific, substantial and credible results, and thus are "useful" under the Interim Guidelines. The results are "tangible" because they are not abstract, but have real world effects and impacts on the seller and buyer. Finally, the results are "concrete" because they are "substantially repeatable," in that repeated use of the option contract in combination with the sales contracts

provides the repeated benefits described above to the seller and buyers, and those results are predictable.

Accordingly, claim 36 recites statutory subject matter, and this rejection should be withdrawn.

The Examiner rejected claims 1-12 and 21-36 as being unpatentable under §103(a) over Halbert, U.S. Patent No. 6,101,484, in view of Restatement of Contracts, 2d. This rejection is traversed.

Halbert issued on August 8, 2000, and is thus a reference only under Section 102(e), since the present application claims priority to a provisional application Serial No. 60/206,566, filed March 23, 2000. This rejection is traversed in accordance with §103(c), since the Halbert patent and the present application were commonly owned. In accordance with MPEP §706.02(l)(2), Section II, Applicants provide the following Statement of Common Ownership. It is noted that, prior to the filing of this response, Applicants' representatives held a conference with TC 3600 Director Wynn Coggins and TC 3600 Business Practice Specialist Robert Weinhardt. During the conversation, ownership of the present application and Halbert, U.S. Pat. No. 6,101,484, were discussed. Coggins and Weinhardt agreed that if a Statement of Common Ownership of the form provided below were submitted, the reference would be removed.

Statement of Common Ownership

Applicants hereby declare that the present application, Serial No. 09/863,801 and Halbert, U.S. Pat. No. 6,101,484, were each, at the time of invention of the present application, owned or subject to an obligation to assign the invention to Mercata, Inc.

Accordingly, Halbert is disqualified as prior art under §103(c). In the absence of Halbert, the Examiner cannot make a prima facie case under §103(a). Therefore, the rejection must be withdrawn.

Claims 13-20 are currently withdrawn. In view of the traversal of the rejections, the Examiner is respectfully requested to reintroduce claims 13-20 and allow them as well.

It is respectfully submitted that the claims are in condition for allowance. If the Examiner has any questions or further requirements before allowing the claims, he is invited to contact the undersigned attorney.

Respectfully submitted,
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Dated: December 20, 2006

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